

Trade Replaced by Commercial Warfare

Sir, Godfrey Dunkley (*L&L*, Spring 2000) remarks that free trade in international currency has robbed the impoverished nations of the world. As he points out, slaves were once taken from Africa to America in chains, sold by the English to the Americans. But today we find it easier to take the work to slaves who can stay at home in debt instead of chains. At one time we used slaves as a currency, today we use debt as our currency and our fellow human beings are enslaved by debt.

It is no good imagining that we do not need a currency, a barter system would no longer serve. But mankind has never had a workable currency, and using debt as our currency is the biggest mistake we have made so far. It has turned trade into commercial warfare.

But today we have, for the first time in our history, the opportunity to get it right. The only difficulty is understanding what money actually is. And when I tell you what money is you will be mystified and that mystification is the real source of trouble.

Money is nothing other than an idea. Trouble creeps in when we introduce a symbol for money to make it tangible. We then make the mistake of thinking the symbol of money is

money. Mankind used gold as money for a long time, but the inherent mistake in so doing eventually revealed that gold is no use as money and sovereigns are no longer legal tender.

Money is an idea backed by confidence that it truly represents the value of goods and services successfully exchanged in the market place at a price which makes their continued appearance financially viable.

That is what money actually is. It is an idea with strings attached. A very slippery concept and hopelessly impossible to handle until we had computers and citizens who are computer literate. Prior to computers mankind had no satisfactory method of storing an idea.

Electronic money is our first chance in our long history of getting it right. Don't ask me how, because I myself am not computer literate, but I can see with my own eyes that my grandchildren will find it a piece of cake. Then all the problems which stem from Mankind making cock-ups over money will be gone for good.

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Where ignorance is bliss, 'tis folly to be wise?

Sir, Change is always with us. We may find the order that is there behind it or we may try to impose an order of our own devising. The major components of the United Kingdom, England, Ireland, Scotland and Wales seem to be going their separate ways whilst the Nation is looking to join itself to a pan-European state. With change goes confusion and with very muddied waters ensuring that it is the dirty water that goes down the plug-hole and the clean baby that stays behind is difficult.

Any nation that does not raise its necessary communal funds from a tax on the rent of its land has inflicted a burden on itself that no amount of subsequent juggling can relieve. Taxing Peter to pay Paul exacerbates division. One wonders how much of the current drive for change is a consequence of natural forces and how much the consequence of ignoring the primacy of the arguments of Adam Smith and Henry George: such ignorance is akin to ignoring the work of Newton. The Nation has been preserved from civil war by the temper of general restraint in the people. I suspect that the call for independence we hear in the above countries are not the consequence of political maturity but of a

kind of despair from a thwarted need to be able to 'grow'.

There is a case for taxing the consumption of the non-renewable resources of the earth to encourage the development of alternatives and also for taxing trade associated with popular but anti-social habits, but only so far that criminal activity is not encouraged. These are secondary considerations. Ignoring the consequences of not taxing the rent of land is to have the nation shoot itself in all its feet. The fact that all other nations have done so is no justification for a permanent need of crutches.

I remember hearing Tom Chapman saying that it was not enough to be a Christian Shop Steward secure in your faith and with God in your pocket, you had to know your Union's rule-book inside out, backwards and sideways too. Maybe it is time for us to test our beliefs by exposure. Having a wonderful argument for prosperity is not enough, we need to share it too.

Ignorance leads to squalor where there is plenty, antagonism where there is unity and the seeking of personal pleasure at any cost ... it is not bliss.

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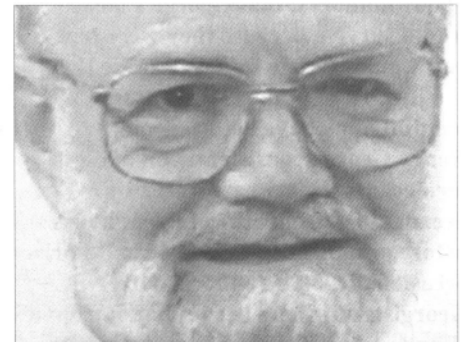
Understanding Free Trade

Sir, Fred. Auld of Tasmania (*L&L*, Autumn 2000) explains how and how not to understand the term "Free Trade" as followers of Georgist ideas use it. However, fine as that is, we have to realise that that is not the way in which the greater part of the world today will understand "Free Trade".

For *labourers* in general Free Trade means that they have to accept bad conditions of labour – including low wages – and many of them find that their only way to fight this is through uniting themselves into trade unions.

For *environmentalists* it means exploitation of natural resources and unlimited pollution of our common heritage.

For *people living in countries overwhelmed by international commercial enterprises* – (typically, less developed countries) it means destruction of their subsistence farming when Free Trade causes previously lucrative crop farming to close down production. This condemns them to misery and poverty,



Progress for the Georgist ideas among labourers, environmentalists, people in less developed countries and their sympathisers, is hampered when Georgists of today cry for Free Trade. By unsuccessfully explaining that by Free Trade we mean something else than what people in general mean by that name, much effort and time is wasted.

Whoever is wrong or right in understanding the term, we cannot expect people in general to listen to us as long as we emphasise that we are clinging to what they dislike most of all. That is why I want Georgists of today to consider *another wording* for the idea that Henry George, in his works, proposed that we implement. Henry George called it "Free Trade" because in his time the public debate was between Protection and Free Trade. Today another debate is going on and Free Trade has another meaning. What are we going to call it?

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